



TM

CANNABIS REGULATION COMMISSION

March 21, 2024, 2:00 p.m.

(877) 853 - 5257 | Meeting ID: 860-838-7310 #



**CANNABIS
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COMMISSION

Roll Call



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Single / Multiple Agenda Item Public Comment

Agenda Item #1: Commission Business



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Agenda Item #2: Report from the Executive Director



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Table of Contents



**CANNABIS
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- I. Commercial Cannabis Activity**
- I. Commercial Cannabis, Taxing Activity**
- II. Public Convenience or Necessity (PCN)**
- III. Social Equity Program Updates**
- IV. Annual Licensing Meetings**

Licensing Update



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Retail



Delivery



Non-Volatile Manufacturing



Distribution



Cultivation



Testing Lab

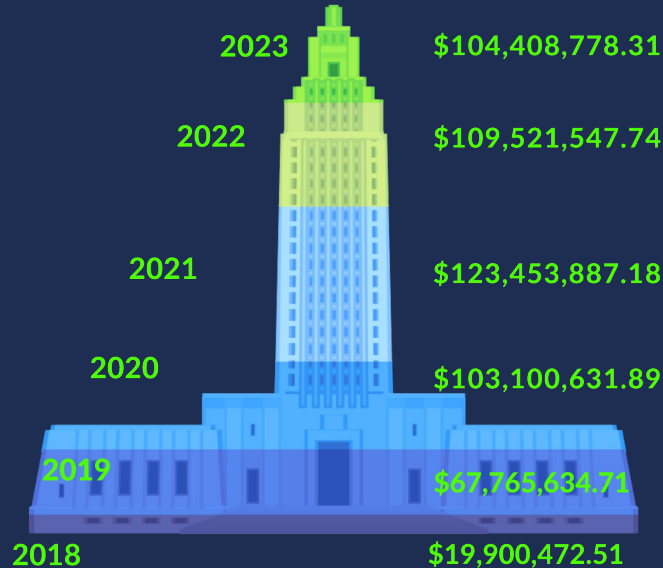
Social Equity	111	130	71	92	95	0
General	176	0	244	311	266	10
Total	287	130	315	403	361	10

Taxes Collected



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\$528,150,952.34



Gross Receipt Taxes Collected
Since 2018

Public Convenience or Necessity (PCN)



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Applications were transmitted to the City Clerk on January 19, 2024.

9 requests filed for Council consideration

- CD 1 1
- CD 4 1
- CD 11 2
- CD 14 4
- CD 15 1

CD	CPA	Council File Number**	Date of Transmittal to Council
1	Central City North	24-0420-S1	01/19/2024
14	Central City North	24-0420-S2	01/19/2024
15	Harbor Gateway	24-0420-S3	01/19/2024
14	Central City	24-0420-S4	01/19/2024
11	Venice	24-0420-S5	01/19/2024
14	Central City	24-0420-S6	01/19/2024
14	Central City	24-0420-S7	01/19/2024
4	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass	24-0420-S8	01/19/2024
11	Venice	24-0420-S9	01/19/2024

Currently, these 9 PCN requests are with each council office for consideration.

Social Equity Upcoming Events



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- Subject Matter Expert in Business Structures, Marketing Strategy, Investment and Business Planning
- Thursday, 4/11 @ 10:00 AM

Kicking off DCR's Equity Week, 4/15 to 4/19 - celebrating the Social Equity community ahead of 4/20



CITY OF LOS ANGELES DEPARTMENT OF
**CANNABIS
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SAVE THE DATE

Social Equity Program
Educational Workshop

APRIL 11 | 10 AM-3 PM

- Business Structures • Marketing Strategy
- Investment and Business Planning • Much more

- ▶ Talk with DCR and Subject Matter Experts led by **Zachary A. Knox**
- ▶ Networking Lunch Provided
- ▶ Free Parking

▶ Ahmanson Senior Center at Expo Center
3990 Bill Robertson Ln
Los Angeles, CA 90037

Annual Licensing



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Provisional Expiration	Appx. No. of Applications (Aggressive)	Appx. No. of Applications (More Conservative)	Appx. No. of Applications (Very Conservative)	Notice of Complete Application (Week of Date Below)	Transmit File to GSD	Notice of Community Meeting & Public Hearing (Mailed Notice Sent By)	Community Meeting	Recommendation Transmitted to Commission Staff	CRC Meeting	File NOE	Appeal Period Closed
July	16	16	16	01/29/2024	02/08/2024	02/23/2024	03/14/2024	03/25/2024	04/04/2024	04/08/2024	05/13/2024
July	17	17	17	03/04/2024	02/22/2024	03/08/2024	03/29/2024	04/08/2024	04/18/2024	04/22/2024	05/27/2024
July	22	22	15	02/27/2024	03/08/2024	03/22/2024	04/12/2024	04/22/2024	05/02/2024	05/06/2024	06/10/2024
Aug	20	20	15	03/12/2024	03/22/2024	04/05/2024	04/26/2024	05/06/2024	05/16/2024	05/20/2024	06/24/2024
Sept-Jan	26	17	15	03/26/2024	04/05/2024	04/19/2024	05/10/2024	05/27/2024	06/06/2024	06/10/2024	07/15/2024
Feb-March	18	14	14	04/09/2024	04/19/2024	05/03/2024	05/24/2024	06/10/2024	06/20/2024	06/24/2024	07/29/2024
N/A	0	0	0	05/08/2024	05/17/2024	05/31/2024	06/21/2024	07/22/2024	08/01/2024	08/05/2024	09/09/2024
No CRC Meeting on July 4, 2024											
April	24	16	14	05/07/2024	05/17/2024	05/31/2024	06/21/2024	07/08/2024	07/18/2024	07/22/2024	08/26/2024
May 1-15	33	16	14	05/21/2024	05/31/2024	06/14/2024	07/05/2024	07/22/2024	08/01/2024	08/05/2024	09/09/2024
N/A	0	0	0	06/17/2024	06/27/2024	07/11/2024	08/01/2024	09/09/2024	09/19/2024	09/23/2024	10/28/2024
May 16-31	28	19	14	06/04/2024	06/14/2024	06/28/2024	07/19/2024	08/05/2024	08/15/2024	08/19/2024	09/23/2024
June 1-14	35	20	14	06/18/2024	06/28/2024	07/12/2024	08/02/2024	08/26/2024	09/05/2024	09/09/2024	10/14/2024
June 15-25	31	22	14	07/02/2024	07/12/2024	07/26/2024	08/16/2024	09/09/2024	09/19/2024	09/23/2024	10/28/2024
June 26-30	34	20	14	07/16/2024	07/26/2024	08/09/2024	08/30/2024	09/23/2024	10/03/2024	10/07/2024	11/11/2024

To learn more about DCR's [Annual Licensing](#) process, [see dates for upcoming community and Commission meetings](#), please visit our [website](#).

Agenda Item #3: Report from the Los Angeles Police Department



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LAPD Report: Unauthorized Commercial Cannabis Activity

Enforcement Tools:

- Cease and Desist Letter
- Search Warrants
- Utility Disconnections (LAMC 104.15 (e))
- Padlock Ordinance (LAMC 104.15.1)



LAPD Report: Unauthorized Commercial Cannabis Activity

2024 Year to Date Enforcement Stats

- Currency Seized: \$239,400
- Cannabis Seized: 27,160 pounds
- Search Warrants Served: 104
- Investigations Conducted: 7
- Cannabis Related Arrests: 140
 - 21 Felony
 - 119 Misdemeanor
- Utility Disconnects: 108
- Padlock and Board Up locations: 0
- Cease and Desist Letters Issued: 45
- Unlicensed Cannabis Locations: 60
- Firearms Recovered:
 - 15 Handguns
 - 3 Rifles
 - 2 Shotgun

Agenda Item #4: Report from Rowe Policy and Media



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PROGRAM OVERVIEW



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- ❖ Greetings and Thanks
- ❖ Cannabis Regulation Commission
Thryeris Mason , President
- ❖ City of Los Angeles
Department of Cannabis Regulation
Michelle Garakian
Executive Director
- ❖ Compliance and Enforcement Division
Chief Rocky Wiles

ROWE POLICY AND MEDIA



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Brad Rowe, M.P.P.
Rowe Policy and Media, Inc.

STUDY TEAM



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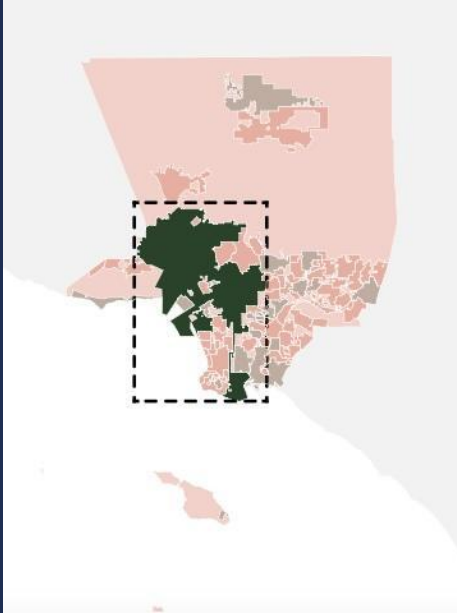
Research team

- Amanda Reiman
- Ann Laudati
- Antonio Frazier
- Dilara Uskup
- Kirby Johnson
- Raffaella Sindoni Sapposhnik
- Rob Chlala
- Madison Hernandez
- Omar Nieto

RESEARCH AND INFORMATION STRUCTURE



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Review the City's cannabis enforcement efforts through analysis of enforcement-related data collected by the Cannabis Support Unit (LAPD)

Review and analyze the literature and research on LAPD, LA City Attorney, and LA City Controller.

City research content on enforcement disparities. Not collecting racial data.

Provide recommendations for the development of an informed enforcement data dashboard

RESEARCH TASKS



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Assess the Department of Cannabis Regulation's Progressive Enforcement Strategy

Create an inventory of best practices from other jurisdictions and experts. The goal is to minimize disparities and inequities in enforcement efforts.

Collect and analyze data accumulated from 2010 to the Present regarding traditional and progressive enforcement coordination efforts.

Formulate an enforcement analysis of warrants, investigations, arrests, outcomes, locations (letters sent, warrants served, arrests, etc.), and the date of action.



RESEARCH TIMINGS



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The project is scheduled to be completed in late 2024

- Task 1: Lessons Learned
- Task 2: Best Practices
- Task 3: Data Analysis
- Task 4: Literature Review
- Task 5: Market Analysis
- Task 6: Interviews and Workshops
- Task 7: Final Report, City Review
- Task 8: Closeout activities

TASK 1. LESSONS LEARNED



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Lessons Learned, Interviews:

Assess obstacles to enforcement and solutions

Explore opportunities to combine State/County and local efforts

City of Los Angeles

- Los Angeles City Departments
- Partner agencies in California

- Unlicensed Operators
- Unlicensed Consumers
- Community Stakeholders and Subject Matter Experts

Research Team 1:

- Dr. Dilara Uskup: UCLA Department of Family Medicine
- Dr. Amanda Reiman: Drug Researcher and New Frontier Data Knowledge Chief

TASK 2. BEST PRACTICES

State and National



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- Develop an understanding of Best Practices for Controlling Illicit retail outlets in comparable cities through the lens of fair and effective enforcement.
- Large cities with licensed adult use. Regulators and enforcement. interviews
Large cities with licensed medical cannabis. Interviews
- Define success. Define effective tools. Context with the past.
- Consider the harms and benefits of cannabis enforcement and other policies that impact Angeleno communities.
- Develop Protocols, Progressive Enforcement Best Practices,
- Interview California and nationwide.
- Primary regulators and top collaborative agencies.
- How does Los Angeles fall in the continuum with size, efficacy, fairness, action, and impact?

TASK 3. ANALYZE HISTORICAL DATA



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- Analyze Historic Cannabis Enforcement Data. Timeframe 2017 to Present
- Review of disparity studies, “Los Angeles Investigation Standards and Racial Profiling”
- Administrative and criminal justice data. Working with LAPD and City Attorney to facilitate data use.
- Receive, secure, protect, clean, and analyze data. Dr. Rob Chlala of UCLA Labor Center and Assistant Professor of Sociology at California State University Long Beach.

TASK 4. LITERATURE REVIEW



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Inventory of enforcement tools used nationwide

- Criminal: fines, arrest, prosecution, incarceration
- Administrative
- Inducements or incentives
- Penalties
- Coordination
- Affidavit statements
- Bonus or cash incentives
- Authorizing statutes and ordinances.

TASK 5. MARKET ANALYSIS



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Price comparison between licensed and unlicensed operations

Mapping pricing disparities for licensed and unlicensed products.

1. 1 g Preroll
2. 1/8 oz. Flower
3. ¼ oz. Flower
4. 1 oz. Flower
5. 1 g Vape cartridge
6. Edible

Modes

1. Storefront
2. Delivery

TASK 6. STAKEHOLDER FEEDBACK



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- Interviews and Listening
- Key Stakeholder Interviews
- Ground Truthing:
 - Virtual Workshop with key law enforcement
 - Virtual Workshop with non-law enforcement agencies
 - Virtual Workshop with members of the community
 - Before convenings or interviews, RPM delivers preliminary findings and reports for feedback.

TASK 7. FINAL DRAFTING. CITY REVIEW



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- Complete outstanding analysis of data
- Compare and contrast the literature review with original research and novel findings.
- Work with DCR and other groups for adjustment rounds and integration feasibility

TASK 8. CLOSE OUT ACTIVITIES



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- Final edit rounds with the City and delivery of the final report.
- Communicate results to City departments and selected stakeholders.

BUDGET



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Project Investment

Budget

Project Investment

TASK	Estimated FTE days (8 hour days)	Rate \$200/hr.	Cost
Task 1: Lessons Learned	45	200	\$ 72,000.00
Task 2: Best Practices	40	200	\$ 64,000.00
Task 3: Data Analysis	45	200	\$ 72,000.00
Task 4: Literature Review	10	200	\$ 16,000.00
Task 5: Market Analysis	20	200	\$ 32,000.00
Task 6: Interviews and Workshops	34	200	\$ 54,400.00
Task 7: Final Report, City Review	14	200	\$ 22,400.00
Task 8: Closeout Activities	10	200	\$ 16,000.00
	218		\$348,800.00

CLOSING



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Update:

Rowe Policy and Media, Inc. closing data sharing agreement with LAPD.

The research team is Interviewing LA City departments.

1. Touching cannabis law enforcement in any way.
2. Have recently worked with cannabis law enforcement efforts.

CLOSING



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We're all educators.
What can we help you better understand?

The Rowe Policy and Media, Inc. research team has many decades of combined experience with cannabis research, social equity, legislation, regulation, science, business, public health, and safety.

The team has an unparalleled network. Ask us.

- What are your municipal priorities?
- What people and resources (and?) are in place for success?
- What is not in place?
- If we don't know something, we know *someone* who does

QUESTIONS



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Questions?
Comments?
Suggestions?
Requests?

brad@rowepolicymedia.com

kirby@rowepolicymedia.com

Agenda Item #5: Complaints and Enforcement Investigations



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OUTLINE

Complaints & Enforcement Investigations



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Complaint Portal

- New Features
- Monitoring and Management
- Complaint Portal by the Numbers



Enforcement Program

- Progressive Enforcement Strategy
- Enforcement Investigation Process
 - Complaint Review & Assessment
 - Preparation
 - Outreach
 - Action
 - Compliance Monitoring & Follow Up Inspection
- Resources to Resolve Violations
 - Stipulated Agreements
 - Extension of Time
 - Appeal to Administrative Hearing Officer
- Investigations
 - Current On-going Investigations
 - Open/Closed Investigations

COMPLAINT PORTAL

Status Updates



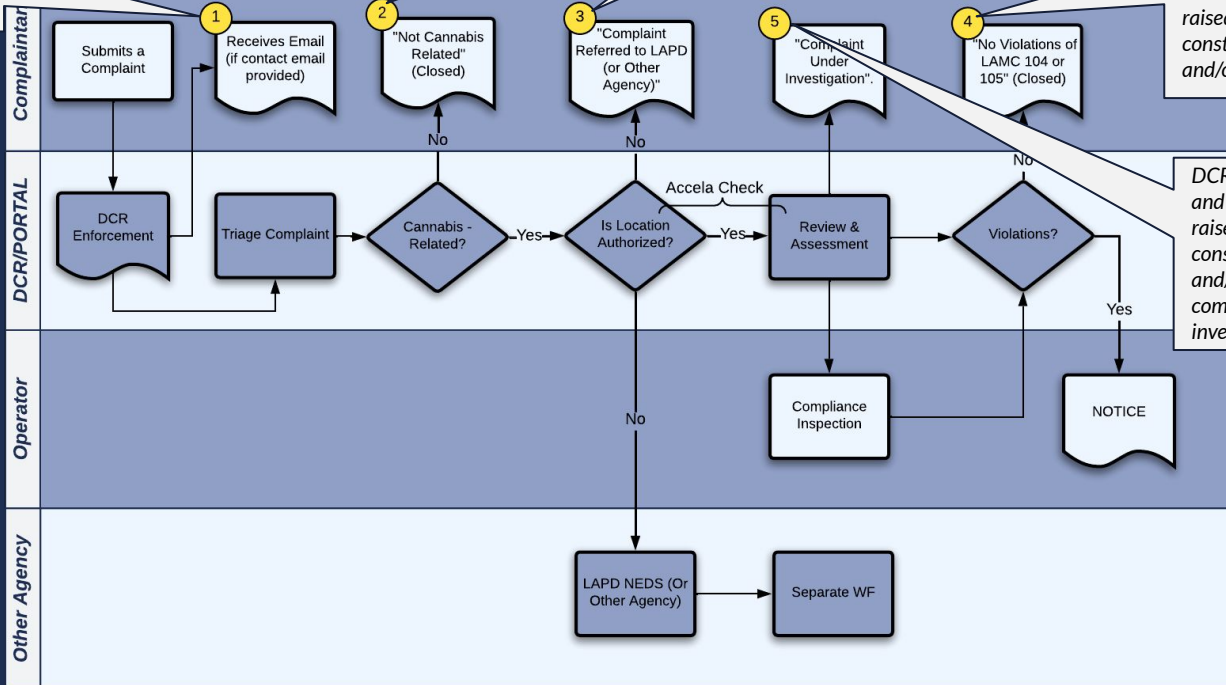
We appreciate your feedback and/or concern. DCR is working to investigate and resolve the issue (s) raised in your submission....

DCR has reviewed your complaint and determined that it does not involve commercial cannabis activity. As a result, the complaint has been closed and no further action will be taken on the matter.

DCR has reviewed your complaint and determined that the location ...is not authorized to conduct commercial cannabis activity. As a result, your complaints has been referred to...

DCR has reviewed your complaint and determined that the issues raised in the complaint do not constitute violations of LAMC 104 and/or 105...

DCR has reviewed your complaint and determined that the issues raised in the complaint may constitute violations of LAMC 104 and/or 105...therefore the complaint is currently under investigation



COMPLAINT PORTAL

Statuses



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COMPLAINT DISPOSITION

- DCR ENFORCEMENT (OPEN, PENDING REVIEW, UNDER INVESTIGATION)
- REFERRED TO LAPD
- CLOSED
 - ✓ Referred to Appropriate Agency (LAPD)
 - ✓ Not Commercial Cannabis Activity
 - ✓ No Violations of LAMC 104, 105 or Regulations
 - ✓ Duplicate Complaint
 - ✓ Not within City's Jurisdiction
 - ✓ DCR Enforcement Action Taken
 - ✓ Business Information /Contact Information not Provided
 - ✓ License Suspended or Revoked
 - ✓ In Compliance

COMPLAINT PORTAL

Closed Complaints by Category



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Closed - Business Information Not Provided / Contact Information Not Provided	2217
Closed - DCR Enforcement Action Taken	7
Closed - Duplicate Complaint	1481
Closed - In Compliance	44
Closed - License Suspended or Revoked	5
Closed - No Violations of LAMC 104, 105 or Regulations Found	296
Closed - Not Commercial Cannabis Related	525
Closed - Not within City's Jurisdiction	149
Closed - Referred to Appropriate Agency	83
Total =4,807	

COMPLAINT PORTAL

By the Numbers



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**Includes
-Open
-Pending Review
-Under Investigation

COMPLAINT PORTAL

Agency Portal



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INTERNAL/EXTERNAL/STATUS

Start Here

Detail

Location

City Relationship

Please choose one of the following: *

- I am a member of the public and want to file a new commercial cannabis complaint
- I represent a State, County of City Agency and want to file or follow-up on a notice of non compliance
- I want to check the Status of a Complaint

NEXT

PROGRESSIVE ENFORCEMENT



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- All Operators must submit Attestation of Compliance with Rules & Regs ([ENF-3003-FORM](#)).
- Due within 30 days of the beginning date of operations.
- DCR Reviews and Assesses the complaint. An investigation may be conducted depending on complaint.
- DCR may contact the Operator to conduct a compliance inspection. DCR may issue a NTC.
- NTC does not include penalty fees.
- DCR issues NOV if violations are not corrected within the time frame allotted in the NTC.
- NOV is appealable to an Administrative Hearing Officer.
- NOV carries hefty penalties \$\$\$\$.
- DCR may suspend the License concurrently with an NOV or may revoke the license if compliance is not achieved or penalties are not paid.

PROGRESSIVE ENFORCEMENT

Review & Assessment



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Compliance Inspection

- Preparation & Outreach
- Outreach
- Action (NTC)
- Compliance Monitoring
- Follow Up Inspection

COMPLAINT
RECEIVED



- Severity of Alleged Complaint
- # of Complaints Received about the same business
- Frequency of Complaints

Enforcement Investigation

- Preparation
- Investigation
- Action (NOV/NOS)
 - Extension of Time
 - Stipulated Agreement
 - Appeal
- Compliance Monitoring
- Follow Up Inspection

COMPLAINT PORTAL

By the Numbers



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*69 Bundled Cases

Agenda Item #6: EMBLEM PLACARD PROGRAM



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Emblem Placard Program and Health Permit



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- DCR conducted a [webinar](#) alongside DPH about the Commercial Cannabis Facility Public Health Inspections Compliance and Emblem Program on April 28, 2022.
- DPH verifies items that impact the public health and safety such as:
 - General Sanitation (vermin, construction requirements)
 - Equipment standards and requirements
 - Water supply safety
 - Produce safety (storage, packaging)
 - Employee health, hygiene

Emblem Placard Program



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DCR Performs Research

DCR staff reviews building permits and C of Os' on LADBS online building records search database and saves latest records + BP Diagram provided to DCR by Licensee. Verification form is initiated for LADBS to complete.

DCR Publishes Eligible Locations

DCR publishes the list of Business Premises locations on its website.

Placard is Issued by LACDPH

If the location passes the Site Evaluation, the Emblem Placard will be issued upon payment of the Health Permit Fee.

DBS verifies use at BP locations

LADBS reviews records provided by DCR and determines if the permitted use per building records is consistent with the retail use as proposed by licensee; DBS completes verification form and returns to DCR.

LACDPH Coordinates Site Evaluation with Licensee

LACDPH only accepts site evaluation requests from licensees whose Business Premises locations have been verified to have all the required permits and approvals from the City (i.e. Certificate of Occupancy).



Authorized Cannabis Store

FOR INFORMATION REGARDING THE LATEST INSPECTION RESULTS OR FOR CANNABIS HEALTH ADVISORIES VISIT OUR WEBSITE: www.publichealth.lacounty.gov/eh



Public Health concerns regarding this facility may be directed to:
ENVIRONMENTAL HEALTH
 CUSTOMER CALL CENTER
 (888) 700-9995



CANNABIS COMPLIANCE AND ENFORCEMENT PROGRAM

Facility Name _____

PR Number _____

Emblem Placard Program



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 [Laws & Policy](#) ▾
 [Licensing](#) ▾
 [Social Equity](#) ▾
 [Compliance](#) ▾
[Personal Activity](#) ▾

<u>The Compliance Program</u>	<u>Cannabis Activity Complaints</u>	<u>Compliance and Inspections</u>	<u>Enforcement</u>
Mission Compliance Program Updates Forms and Resources	Unlicensed Commercial Cannabis Activity Complaint Portal	LA County Department of Public Health Inspection Program	Notice of Violation (NOV)

Home > Compliance > Compliance And Inspections > LA County Department of Public Health Inspection Program

Commercial Cannabis Facility Public Health Inspection Compliance and Emblem Program

Emblem Placards Issued by Council District



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CD 1	0
CD 2	6
CD 3	4
CD 4	2
CD 5	8
CD 6	5
CD 7	6
CD 8	4

CD 9	1
CD 10	5
CD 11	8
CD 12	1
CD 13	1
CD 14	3
CD 15	2